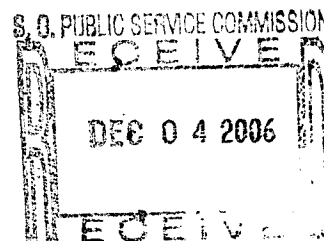


183062



November 30, 2006

Mr. Charles L.A. Terreni  
Chief Clerk/Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, South Carolina 29210



RECEIVED COPY  
dated: led  
by: S.A.  
date: 12/2/06  
time: 10:15

Dear Mr. Terreni:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending September 30, 2006:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$1.89
6. Debt Coverage Ratio or Earnings to Fixed Charges - 4.74 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

10 Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions, please call me at 919-546-7091.

Sincerely,

Michele de Lyon  
Manager - Regulatory Accounting  
Progress Energy Service Company

21450

c: John Flitter

Enclosure

Progress Energy Service Company, LLC  
PO Box 1551  
Raleigh, NC 27602

DEC 04 2006

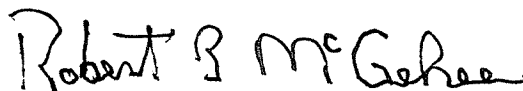
PSC SC  
DOCKETING DEPT.

# CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Robert B. McGehee, and I, Peter M. Scott III, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2006 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Robert B. McGehee  
Chairman and Chief Executive Officer  
Progress Energy, Inc.

11/27/06

Date Signed

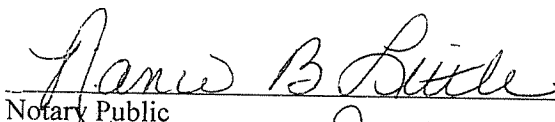


Peter M. Scott III  
Executive Vice President and Chief Financial Officer  
Progress Energy, Inc.

11/27/06

Date Signed

Subscribed and Sworn to before me this 27 day of November, 2006.



Notary Public

My Commission Expires:

July 1, 2010

PROGRESS ENERGY CAROLINAS  
 SC QUARTERLY REPORT  
 PER BOOKS AND ADJUSTED COS STUDY  
 FOR THE TEST YEAR ENDED SEPTEMBER 30, 2006

EXHIBIT A1

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,131,052,428	43,000,425	4,174,052,853
OPERATING EXPENSE:			
NET O&M EXPENSES	2,432,009,865	44,848,113	2,476,857,978
DEPRECIATION	584,732,494	21,963,928	606,696,422
TAXES (OTHER THAN INCOME)	182,507,032	2,319,070	184,826,102
INCOME TAX - STATE	49,895,671	(5,220,532)	44,675,139
INCOME TAX - FEDERAL	348,601,391	(31,135,473)	317,465,918
PROV. FOR DEFERRED TAXES	(115,669,563)	24,019,827	(91,649,736)
INVESTMENT TAX CREDIT	(5,904,690)	-	(5,904,690)
TOTAL OPERATING EXPENSE	3,476,172,200	56,794,933	3,532,967,133
INCOME FOR RETURN:			
OPERATING INCOME	654,880,228	(13,794,508)	641,085,720
CUSTOMER GROWTH	6,432,245	(135,490)	6,296,755
INTEREST ON CUST. DEPOSITS	(3,295,863)	-	(3,295,863)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	658,016,610	(13,929,998)	644,086,612
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	14,140,404,253	44,245,296	14,184,649,549
PLANT HELD FOR FUTURE USE	2,514,449	-	2,514,449
RESERVE FOR DEPRECIATION	(7,188,453,400)	149,371,197	(7,039,082,203)
NET PLANT IN SERVICE	6,954,465,302	193,616,493	7,148,081,795
NUCLEAR FUEL INVENTORY	172,394,611	-	172,394,611
DEFERRED TAXES - LIB. DEPR.	(545,600,869)	144,050,453	(401,550,416)
REGULATORY ASSETS	68,605,265	(34,343,845)	34,261,420
WORKING CAPITAL:			
MATERIALS & SUPPLIES	850,069,507	(295,339,500)	554,730,007
CASH WORKING CAPITAL	419,325,365	-	419,325,365
UNCLAIMED REFUNDS	(4,900)	-	(4,900)
PREPAYMENTS	1,404,013	-	1,404,013
TAX ACCRUALS	(114,478,983)	-	(114,478,983)
CUSTOMER DEPOSITS	(56,954,675)	-	(56,954,675)
OPERATING RESERVES	(566,257,956)	-	(566,257,956)
CUSTOMER ADVANCES FOR CONSTR.	(15,995,176)	-	(15,995,176)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	517,107,195	(295,339,500)	221,767,695
TOTAL RATE BASE	7,166,971,504	7,983,601	7,174,955,105
RATE OF RETURN (%)	9.18		8.98

PROGRESS ENERGY CAROLINAS  
SC QUARTERLY REPORT  
PER BOOKS AND ADJUSTED COS STUDY  
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2006

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	546,853,136	(6,481,627)	540,371,509
OPERATING EXPENSE:			
NET O&M EXPENSES	375,108,226	(5,781,219)	369,327,007
DEPRECIATION	60,360,489	2,985,911	63,346,400
TAXES (OTHER THAN INCOME)	17,181,577	2,080,327	19,261,904
INCOME TAX - STATE	5,070,040	311,894	5,381,934
INCOME TAX - FEDERAL	38,157,471	(9,179,729)	28,977,742
PROV. FOR DEFERRED TAXES	(18,839,674)	6,826,641	(12,013,033)
INVESTMENT TAX CREDIT	(843,032)	-	(843,032)
TOTAL OPERATING EXPENSE	476,195,097	(2,756,175)	473,438,922
INCOME FOR RETURN:			
OPERATING INCOME	70,658,039	(3,725,452)	66,932,587
CUSTOMER GROWTH	109,696	(5,784)	103,912
INTEREST ON CUST. DEPOSITS	(304,249)	-	(304,249)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	70,463,486	(3,731,236)	66,732,250
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,042,561,623	6,372,688	2,048,934,311
PLANT HELD FOR FUTURE USE	362,158	-	362,158
RESERVE FOR DEPRECIATION	(1,034,409,233)	21,117,634	(1,013,291,599)
NET PLANT IN SERVICE	1,008,514,548	27,490,322	1,036,004,870
NUCLEAR FUEL INVENTORY	24,867,827	-	24,867,827
DEFERRED TAXES - LIB. DEPR.	(103,758,338)	11,154,336	(92,604,002)
REGULATORY ASSETS	13,767,992	(4,946,574)	8,821,418
WORKING CAPITAL:			
MATERIALS & SUPPLIES	109,919,665	(28,363,791)	81,555,874
CASH WORKING CAPITAL	64,583,278	-	64,583,278
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	229,765	-	229,765
TAX ACCRUALS	(13,916,222)	-	(13,916,222)
CUSTOMER DEPOSITS	(9,674,502)	-	(9,674,502)
OPERATING RESERVES	(80,708,489)	-	(80,708,489)
CUSTOMER ADVANCES FOR CONSTR.	(2,129,735)	-	(2,129,735)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	68,303,760	(28,363,791)	39,939,969
TOTAL RATE BASE	1,011,695,789	5,334,292	1,017,030,081
RATE OF RETURN (%)	6.96		6.56

PROGRESS ENERGY CAROLINAS  
S.C. QUARTERLY REPORT  
S.C. RETAIL - RETURN ON COMMON EQUITY  
FOR THE TEST YEAR ENDED SEPTEMBER 30, 2006

**"PER BOOKS"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT	RATIO			
	\$	%	\$	%	\$
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,646,983,961	52.09%	526,992,336	5.65%	29,775,067
PREFERRED STOCK	59,333,982	0.85%	8,599,414	6.83%	587,340
COMMON EQUITY	3,294,211,607	47.06%	476,104,038	8.42%	40,101,079
TOTAL CAPITALIZATION	7,000,529,550	100.00%	1,011,695,789		70,463,486

**"ADJUSTED"**

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT	RATIO			
	\$	%	\$	%	\$
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,574,204,672	52.24%	531,296,514	5.65%	30,018,253
PREFERRED STOCK	59,333,982	0.87%	8,848,162	6.83%	604,329
COMMON EQUITY	3,208,357,869	46.89%	476,885,405	7.57%	36,109,668
TOTAL CAPITALIZATION	6,841,896,523	100.00%	1,017,030,081		66,732,250